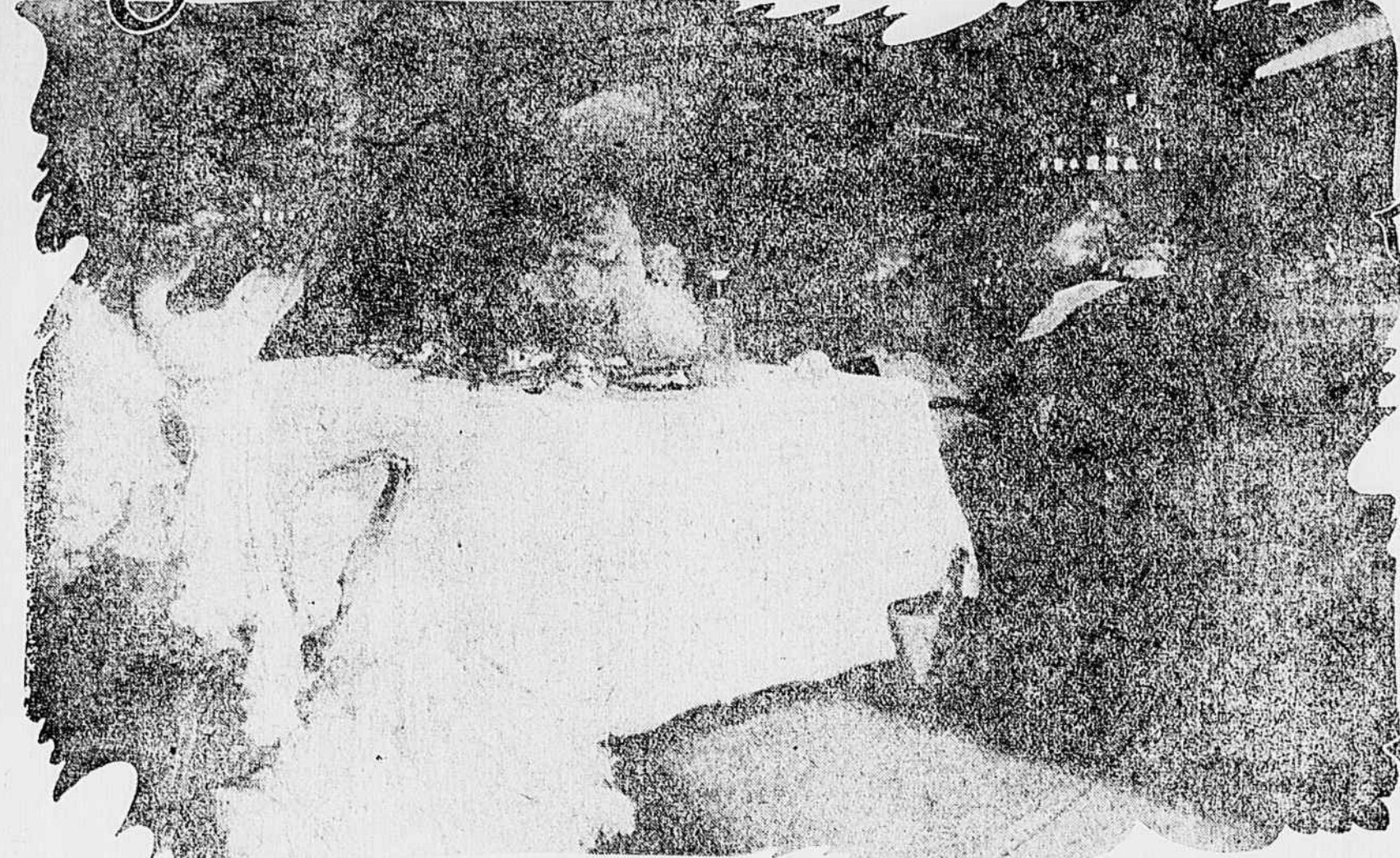


High Taxes on Luxuries



A "Seat Tax" for Every Chair Occupied at a Public Restaurant

Special Taxes Proposed on Household Servants, Extravagant Furs and Clothes, Banquets and Ostentatious Display

TO all thinking persons it is apparent that the extravagance of modern State and city government means more and more taxation. Expensive State highways, miles upon miles of asphalt and electric lighted city streets, more and more expensive police and fire and health departments, nurses for the school children, etc.—all these and other luxuries which our grandfathers never dreamed of, must be paid for. And the tax-paying and incompetent politicians and public officials must be supported.

Where is the money to come from? Not from the poor, because they haven't it to pay. It must come from the rich—perhaps partly as a tax on their luxuries. Shall we, in the very near future, see rich men paying an annual tax upon the jewels—diamonds, necklaces of pearls, earrings, rings and bracelets which bedeck their wives? Shall we find men paying a personal tax on the sumptuous gowns worn by their wives and daughters, their exquisitely fitting shoes, their gloves, their marvellously matched sables, even their diaphanous and altogether delectable lingerie?

Shall we presently find ourselves in an era when men will be taxed to pay their share of the expenses of government, according to their expenditure for ostentatious display and all the luxuries that go to sybaritic comfort? Shall we witness men paying taxes on their expensive servants, their "jets," their princely salaries, their "hotels," their pleasures at clubs, their consumption of wines and cigars? Shall we find a tax system in operation which will reap revenue from the shoulders of leaders of fashion—a system whereby the State will profit upon the expenditure of money on the arts and artifices of beauty, whereby cosmetics, perfumes and all toilet accessories used in the embellishment of feminine loveliness will be taxed?

Starting as this may seem, the system suggested is not an improbability. Aroused by the evils of the present system of taxation of personal property, and the unfairness of tax distribution, many leading lawyers and economists have raised the question: What new system of taxation will remove the burden from the man of business who invests his earnings in commercial development? What scheme of taxation can be arranged which will not discourage business enterprise? By what other plan of apportionment than the present one can the expenses of government be placed upon those who expend wealth with no productive results to society as against those who invest their money and labor so as to increase the aggregate wealth of the community? Under the present system of personal taxation business is often hindered by the assessment placed on money invested. With a tax assessment of 2 per cent, a man receiving 4 per cent on an investment must pay out in taxes practically one-half of his income. On the other hand, on the subterfuge of changes of residence, the millionaire, with a half-dozen large estates, often manages to evade his taxes. How can this injustice be remedied?

Taxation of Luxury and Ostentatious Display.

One of the most novel plans for tax reform is that suggested by Victor Morawetz, a celebrated New York lawyer, who advocates that men be taxed according to their annual expenditure for personal comfort, pleasure and ostentatious display. Mr. Morawetz maintains that a man should be taxed on the basis of money spent unproductively and the labor employed likewise for personal enjoyment—on the rate of his living, the number of his servants. This would be a tax not on money invested or savings, but simply on money spent with no result, save the

gratification of personal appetites, luxurious comfort and that found in the trimmings of vanity and fashion.

"The more a man spends in display," declared Mr. Morawetz, "the more labor is employed solely for his gratification and therefore, so far as society is concerned, unproductively. Take one man with an income of \$100,000 a year who spends it entirely for his personal comfort—in his household, servants, food, etc. At the end of the year the money is consumed; the labor employed has yielded no product. On the other hand, the man who invests this money, living moderately, contributes to the country's development—the construction of railways, new industries, new machinery, the building of houses, and permanent personal property. The man who does not spend a large income in comfort and ostentatious display does not waste and consume productive labor, but adds to the aggregate wealth of the community in which he lives. Money as well as labor should be employed to produce more wealth.

Remove Burden from Poor to the Rich.

"That the expenditures of the rich for luxury or display benefit the masses by furnishing employment and by causing wealth to circulate is a fallacy, for the servants of the rich and those who produce luxuries for their consumption or otherwise minister to their pleasure, as well as the idle rich themselves, must be supported by the labor of the rest of the community. Taxation of the unproductive consumption of wealth would be sounder than taxation of fortunes or incomes merely on account of their size without regard to their source or their use. The plan I propose would be to impose a personal tax based on the value of a man's dwelling. We may assume that a man who lives in a \$100,000 dwelling spends ten times as much as a man who lives in a \$10,000 dwelling. I would exempt from taxation all whose dwelling is less than \$6,000."

In order to obviate tax dodging, Mr. Morawetz says this tax should be imposed upon every person occupying a dwelling in the city, whether his legal residence be there or elsewhere. Those who live in the city only part of the year should pay a proportionate tax. This would depend on whether an owner or lessee keeps a house or apartment during the entire year or not; if he maintains the place, open or closed, he should be taxed for the entire year, though he close the dwelling and be absent a greater part of the time.

Mr. Morawetz has suggested a plan of apportioning taxation according to the value of a man's dwelling and his number of servants. Taking Mr. Morawetz's theory, others would go further and base a man's taxes on all the details that contribute to the gratification of the wealthy. Such a tax would cover all the items of exorbitant luxury—from the cost of a chef to the annual bill for cigars; from the clothes and jewels with which the millionaire's wife bedecks herself at the opera to banquets and the flowers for his daughter's wedding; from the gold-laced footman of impeccable mien at his door to the chair he occupies in a gilded lobster palace. Why should there be no such tax? It would manifestly exact tribute from where tribute is due, would it not? For why should not Dives pay for the pleasure of ostentation, the magnificence, the luxurious ease and the sated pleasures of the table denied the modern Lazarus of exploited labor?

Taxation, according to those advocating the new reform, like charity, should begin at home. Aside from the regular tax on real estate, the new personal tax would cover all the settings that stage wealth. While, on the one hand, the

modest home of the producing laborer—with his few pictures, parlor rug, enameled beds and meagre comforts—would be free, on the other, the ornate furnishings of the rich man would yield an annual income to the Government.

On the \$10,000 rug from Persia in his library, the silken-soft carpets and hangings throughout his house; on the golden brocade furniture in his drawing room, the spacious, yielding chairs of luxurious ease in his den; on the priceless Gobelin tapestries, the paintings of Millet and Corot, the treasured antiques—even to the wall paper from Japan, the mural decorations and glittering chandeliers—the rich man would pay annually a tax of 2 per cent. For, say the economists, money thus spent ceases to earn wealth and employ labor. Why not tax it so long as the rich man enjoys the product?

Art treasures bought for the public benefit would, of course, be exempt from tax. But the millionaire who garners world treasures in his own gallery, such as Senator Clark, of Montana, would be taxed on the purchase price of each painting. If he buys a Rembrandt for \$100,000 he would pay a tax annually of \$2,000 for the pleasure of exhibiting and gazing upon this cherished treasure. For the esthetic joy derived by him and his plethoric friends after dinner in an evening, while they smoke rich, velvet Havanas and the owner extols his possession and tells how he came by it, the Government would reap a fair income.

John Rockefeller, for instance, under the new plan would pay an annual tax upon the \$75,000 Venus which he recently bought to adorn the pergola on his estate at Pocantico Hills, N. Y. J. Pierpont Morgan would pay a tax upon the rare manuscripts in his possession. Nothing would escape.

Tribute to Caesar on the Prize Chef.

Not the least important item of such taxation would be on the servants employed. For that impeccable chef, that wizard of the kitchen, that Edmond of the culinary science, that treasure found in Paris and exported to the United States, the rich man would pay a tax. Say the chef receives a salary of \$15,000, the man who enjoys those palate-teasing sauces, those exquisite entrees and perfectly roasted not too "chick" birds would pay the Government \$3,000 annually. He would pay a tax also on the food lavishly served and prodigally wasted; on his cellar of wines, his picked cigars. Such a tax, it is suggested, would be regulated much as the Federal tax on liquor and tobacco; that is, by the use of stamps.

This tax would cover all the servants and would be based on the salaries paid each. For the obsequious butler—paid according to his manners—and the footman bedecked in gold lace a tax would be paid. This would apply to the valet, the groom and coachman. It would extend to the rich man's horses, carriages and stables.

Horses would not be the only animals on which tax would be gathered, however. On the prize-winning Pomeranian owned by his wife, worth, let us say, \$2,000, the rich man would pay an annual tax of \$60. There would be a tax also on the aristocratic angora, golden in hue, purring contentedly in madame's boudoir.

All that gratifies the vanity of the woman of wealth would yield a rich income to the Government. On an average a rich woman possesses from twenty to thirty evening gowns, each worth probably from \$1,500 to \$1,800, and on each a tax of 2 per cent of the cost would be assessed. She will have, in all likelihood, a hundred pairs of shoes, especially made, matching her dresses, worth in all \$2,500—these would be taxed. She would be assessed for the



The Butler, the Coachman, the Footman and Each Dog to Pay a Special "Luxury Tax."

dozen or more corsets used each year; on all the laces and fancy furbelows that enhance her appearance; on her handkerchiefs, gloves and diaphanous, delectable lingerie. Nor would the rare Russian sables that protect her from the rude winds of Winter be exempt; on the contrary, she would be assessed for all the beauty and warmth those costly furs afforded.

The money spent on jewels ceases to earn and increase. The labor expended in selecting gems through periods of years, and all the skill of jewel artificers is lost after the woman of wealth has secured them for purposes of display. Year by year, say the tax reformers, these should yield an income to the Government. While the shop girl might wear her little fur collar without taxation, and the wife of the average business man proudly wear her half-dozen rings, set with one or two carat stones, the rich woman would pay for this privilege of wealth. She may be distinguished for a rare necklace of picked pearls worth \$60,000, emerald earrings worth \$10,000 to \$25,000, a diamond tiara, rings of rubies, diamonds, pearls, emeralds, sapphires; indeed, in gala array, she may glitter like a barbaric queen with the jewels of Ind. Poorer women may sigh as she sits in a box at the opera, nonchalantly fanning herself with a fan of osprey plumes. But once the new taxation plan is in operation people would realize that for this scintillant exhibition she contributes a just tax to the Government of society—this would be a special "ostentation" tax.

Besides the Regular Personal Property Tax on the Value of Jewelry It Is Suggested That a Separate Tax be Imposed Each Time the Jewelry Is Worn in Public as an "Ostentation" Tax.

Then there might be a tax on flowers. The weddings of lovely daughters would often enrich the Government. There could be a tax on that bridal robe of immaculate satin and sheer tissue veiling; on the bridal bouquet, the wedding ring; on the flowers flanking the aisles of the church, the music, the equipages, the breakfast. Inasmuch as all the wares of luxurious households would be taxed, the bewildering display of gifts would be assessed. The blissful couple would begin married life sharing in the expenses of Government.

Nor would the rich man in the matter of his wardrobe and apparel go free. He would pay a tax on his evening clothes, pearl studs, cravats, waistcoats, fur overcoats. The cost of maintaining a yacht often reaches the sum of \$75,000 a year. On this he would pay \$1,500 tax. Should he acquire a hydro-aeroplane—the latest fad of Vincent Astor—he would pay tribute to the Government for the thrill of scaling the heights of the air.

It has been suggested that rich men should pay for the hours spent in leisure and the enjoyments derived. Why not compel the clubman to pay a tax on his annual dues as well as on his bills for highballs and cigars?

Why Not a Chair Tax in Lobster Palaces?

On all recreations, in some way or other, the Government could exact its fair tribute—on banquets, on champagne and food consumed; on teas, receptions, musicales. Perhaps the boxes in theatres could justly be taxed, so that those who sit in elevated if not haughty indifference above the others should pay tribute for this privilege.

Wherever the rich man went, spending money on the things that benefit him alone, the arms of the Government might follow. He would pay a tax on the horses entered at races and the tickets to race courses. There might be a tax on the tickets to Pullman compartments and private cars, so that, although he travels, he could not escape paying for the privileges not enjoyed by the less wealthy. While the poorer man would be free of tax when he goes to an inexpensive restaurant, a tax could be collected practically from every chair in the gilded palace of lobster and wine as well as the restaurants and cafes of palatial hotels.

Whenever he sits down to have dinner in a restaurant the rich man would pay a tax for himself and guests—on whatever they eat and drink. Bills over a certain exempted sum would bear a tax stamp on a basis of two cents on the dollar. If his dinner cost him \$10, the diner would pay 20 cents tax. If he gave a supper after the theatre to a heavy of beauties he would pay a tax likewise. Thus, to entertain the most popular chorus beauties the young blade of society would pay a tithe to the Government.

Would all this be unfair? Pleasure indulged in to excess, the display of wealth in all its phases would thus bear tribute unto Caesar, the Government of the people. And meanwhile the earning and creating element of society would have a great part of the present burden removed. Incentive would be placed upon enterprise and labor, and perhaps—who can tell?—the egregious and excessive luxury, vain ostentation and dissipation of the idle rich would be discouraged.

Copyright, 1915, by the Star Company. Great Britain Rights Reserved.